This English translation is only a part of the Notice of Convocation of the 56th Annual Shareholders' Meeting in Japanese original, especially does not include the translation of the annex (the Business Report, the Financial Statements (consolidated and non-consolidated) and the Audit Reports).
In addition, this English translation has been prepared for general reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

(Translation)

Shin-Etsu Polymer Co., Ltd.

(Securities Code 7970)
June 6, 2016

Notice of Convocation of the 56th Annual Shareholders' Meeting

To our shareholders:

We thank you for your continued patronage of Shin-Etsu Polymer Co., Ltd. We wish to express our deepest sympathy and condolences to the victims of the 2016 Kumamoto Earthquake.

You are hereby notified that the 56th Annual Shareholders' Meeting of Shin-Etsu Polymer Co., Ltd. (the "Company"; and this meeting, this "Meeting") will be held as described below. Your attendance would be much appreciated.

If you are unable to attend this Meeting in person, you are entitled to exercise your voting rights through either of the following methods. Please review the Reference Documents for the Shareholders' Meeting attached hereto and exercise your voting rights by no later than 5:35 p.m. on Monday, June 27, 2016 (Japan Standard Time).

[Exercise of voting rights in writing (by postal mail)]

Please indicate on the enclosed Voting Form your approval or disapproval for the proposals and return the Voting Form to reach us by the said deadline.

[Exercise of voting rights by electromagnetic means (via the Internet, etc.)]

Please access the designated website for exercise of voting rights, and indicate your approval or disapproval for the proposals by the said deadline.

Details of Meeting

1. Date and Time: June 28, 2016 (Tuesday) at 10:00 a.m. (Japan Standard Time)

2. Place: Station Conference Manseibashi, 4th Floor of JR Kanda Manseibashi Building
1-25 Kanda-Sudacho, Chiyoda-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements for the 56th fiscal year (From April 1, 2015 to March 31, 2016)
2. Report on the Non-consolidated Financial Statements for the 56th fiscal year (From April 1, 2015 to March 31, 2016)

Matters to be resolved:

Proposal No. 1: Dividends from Surplus

Proposal No. 2: Delegation of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to Employees of the Company and Directors of Subsidiaries of the Company to the Board of Directors of the Company

4. Predetermined Items Related to the Convocation of this Meeting

(1) If you do not indicate your approval or disapproval for any proposal on the Voting Form, you will be deemed to have approved that proposal.
(2) If you exercise your voting rights redundantly, by returning the Voting Form and by a method using electromagnetic means (via the Internet, etc.), the voting by electromagnetic means (via the Internet, etc.) will be deemed effective.
(3) If you exercise your voting rights multiple times by electromagnetic means (via the Internet, etc.), the last voting will prevail.

Yoshiaki Ono
President
Shin-Etsu Polymer Co., Ltd.

(Head Office)
1-9 Kanda-Sudacho, Chiyoda-ku, Tokyo

- Those shareholders who attend this Meeting are kindly requested to present the enclosed Voting Form to receptionist upon your arrival at this Meeting venue.

- Any modification that may be required in the Reference Documents for the Shareholders' Meeting will be published via the Internet on the website of the Company (http://www.shinpoly.co.jp/).

Reference Documents for the Shareholders' Meeting

Proposals and References

Proposal No. 1: Dividends from Surplus

The Company proposes the dividends from surplus as follows:

The Company considers the return of profits to shareholders to be one of the most important management priorities.

With the objective of increasing corporate value through a strengthening of its corporate foundation and sustainable growth, the basic policy of the Company is to continue paying stable dividends in line with business results, while at the same time securing internal reserves in order to ensure the soundness of the financial strength of the Company, R&D investment, and investments for production facilities etc.

As for the year-end dividend for the 56th fiscal year, in comprehensive consideration of the business performance and future business developments etc., the Company proposes to pay a dividend of ¥4.50 per share. As a result, the annual dividend will total ¥9 per share, including the interim dividend paid of ¥4.50 per share.

Matters concerning year-end dividend:

(1) Type of dividend property

Cash

(2) Matters concerning allocation of dividend property to shareholders and the total amount thereof

¥4.50 per share of common stock of the Company totaling ¥368,420,823

(3) Effective date of dividend from surplus

June 29, 2016

Proposal No. 2: Delegation of Determination of Subscription Requirements for Stock Acquisition Rights to Be Issued as Stock Options to Employees of the Company and Directors of Subsidiaries of the Company to the Board of Directors of the Company

The Company asks for the shareholders' approval to delegate the determination of the subscription requirements for stock acquisition rights to be issued as stock options to employees of the Company and directors of subsidiaries of the Company to the board of directors of the Company (hereinafter referred to as the "Board of Directors") in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act.

1. Reasons for issuing stock acquisition rights with particularly favorable terms and conditions:

   For the purpose of further enhancing the willingness and morale to contribute to the long-term increase of corporate value of the Company's group, and seeking to increase the corporate value of the Company's group, the Company would like to issue stock acquisition rights to employees of the Company and directors of subsidiaries of the Company without requiring the payment of monies.

2. Features and the maximum number of stock acquisition rights, etc. of which the Board of Directors will be authorized to determine subscription requirements, based on the matters to be determined at this Meeting:

   (1) The maximum number of stock acquisition rights of which the Board of Directors will be authorized to determine subscription requirements based on the delegation

   The maximum number of stock acquisition rights specified in item (3) below shall be one thousand nine hundred (1,900).

   The maximum total number of shares of common stock of the Company to be delivered upon exercise of stock acquisition rights shall be one hundred and ninety thousand (190,000). If the number of shares to be granted is adjusted as prescribed in item (3) below, however, the adjusted number of shares to be granted shall be the product of the number of shares to be granted after adjustment multiplied by the above-mentioned maximum number of stock acquisition rights.

   (2) No payment of monies shall be required for the stock acquisition rights of which the Board of Directors will be authorized to determine subscription requirements based on the delegation.

   (3) Features of stock acquisition rights of which the Board of Directors will be authorized to determine subscription requirements based on the delegation

   (a) Class and number of shares underlying stock acquisition rights

   The class of shares underlying stock acquisition rights shall be common stock, and the number of shares underlying each stock acquisition right (hereinafter referred to as the "Number of Shares to Be Granted") shall be one hundred (100).

   If, however, the Company either effects a share split of its common stock (including allotment of its shares of common stock without contribution; the same shall apply to the share split described hereinafter) or effects a consolidation of its shares of common stock, after the date of resolution of the Shareholders' Meeting (hereinafter referred to as the "Resolution Date"), the Number of Shares to Be Granted shall be adjusted according to the formula described below. Fractions of less than one (1) share resulting from such adjustments shall be rounded down.

$$\text{Number of Shares to Be Granted after adjustment} = \text{Number of Shares to Be Granted before adjustment} \times \text{Ratio of share split or share consolidation}$$

   In addition to the above, if, after the Resolution Date, any event that would force the Company to adjust the Number of Shares to Be Granted occurs, the Company shall make appropriate adjustments to the Number of Shares to Be Granted within a reasonable range.

   (b) Amount of assets to be contributed upon exercise of stock acquisition rights

   The amount of assets to be contributed upon the exercise of each stock acquisition right shall be

the amount obtained by multiplying the amount to be paid in for one (1) share to be delivered upon exercise of stock acquisition rights (hereinafter referred to as the "Exercise Price") by the Number of Shares to Be Granted.

The Exercise Price shall be the higher of either the product of the multiplication of the average of daily closing price of the common stock of the Company in regular trading on the Tokyo Stock Exchange (hereinafter referred to as the "Closing Price") during the month (excluding dates on which no trade is made) immediately prior to the month containing the date on which stock acquisition rights are allotted (hereinafter referred to as the "Allotment Date") by 1.025, with any fractions of less than one (1) yen to be rounded up; or the Closing Price on the Allotment Date (or in the event that there is no Closing Price on that date, the Closing Price of the immediately preceding day on which the Company's common stock were traded).

If the Company either effects a share split or a consolidation of its shares of common stock after the Allotment Date, the Exercise Price shall be adjusted according to the formula described below. Fractions of less than one (1) yen resulting from such adjustments shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

If, after the Allotment Date, the Company issues new shares of common stock or disposes of shares of treasury stock thereof of the Company at a price lower than the market price (excluding the sale of shares of treasury stock pursuant to the provisions of Article 194 of the Companies Act ["Demand for Sale of Shares Less than One Unit by Holders of Shares Less than One Share Unit"], the conversion of securities that shall or may be converted to shares of common stock of the Company, or the exercise of stock acquisition rights with which the delivery of shares of common stock of the Company can be requested (including stock acquisition rights attached to bonds with stock acquisition rights), the Exercise Price shall be adjusted according to the formula described below. Fractions of less than one (1) yen resulting from such adjustments shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of newly issued shares} \times \text{Payment amount per share}}{\text{Market price}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In the formula above, "Number of issued shares" is the total number of shares of common stock issued by the Company excluding the number of treasury shares of common stock owned by the Company. In the case of the Company's disposal of treasury stock, "Number of newly issued shares" shall be replaced with "Number of treasury stock to be disposed of."

In addition to the above, if, after the Allotment Date, any event that would force the Company to adjust the Exercise Price occurs, the Company shall make appropriate adjustments to the Exercise Price within a reasonable range.

(c) Period during which stock acquisition rights may be exercised

From the day following the 2-year anniversary of the Allotment Date to March 31, 2022

(d) Matters concerning increases in capital and capital reserve when shares are issued upon exercise of stock acquisition rights

i. The amount of capital to be increased by the issuance of shares upon exercise of stock acquisition rights shall be one-half of the maximum amount of increase in capital etc., which is calculated in accordance with Article 17, paragraph (1) of the Corporate Accounting Rules. Fractions of less than one (1) yen resulting from such calculation shall be rounded

up.

ii. The amount of capital reserve to be increased by the issuance of shares upon exercise of stock acquisition rights shall be the amount obtained by subtracting the amount of capital to be increased as prescribed in (i) above from the maximum amount of increase in capital etc. described in (i) above.

(e) Restriction on acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall be subject to the approval by a resolution of the Board of Directors.

(f) Provisions for acquisition of stock acquisition rights

i. In the event that a proposal for a merger agreement under which the Company shall become a ceasing company, a proposal for a company split agreement or company split plan under which the Company shall become a splitting company, or a proposal for a share exchange agreement or share transfer plan under which the Company shall become a wholly-owned subsidiary is approved at a shareholders' meeting of the Company (or in any of the above cases, when an approval at a shareholders' meeting of the Company is not required, and an approval at a Board of Directors' meeting is made), the Company may acquire the stock acquisition rights without consideration at the date separately specified by the Board of Directors of the Company.

ii. If a person granted stock acquisition rights or his or her heir can no longer exercise such rights under the "Agreement for Allotment of Stock Acquisition Rights," which is concluded between the Company and a relevant employee or a director of relevant subsidiary, based on a resolution made at this Meeting and by the Board of Directors, the Company may acquire the stock acquisition rights without consideration at the date separately specified by the Board of Directors of the Company.

(g) In the event where the Company engages in a merger (limited to the case where the Company ceases to exist after the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereinafter collectively referred to as the "Reorganization Actions"), the Company shall deliver to the holders of the remaining stock acquisition rights at the time the Reorganization Actions take effect (hereinafter referred to as the "Remaining Stock Acquisition Rights") the stock acquisition rights of the relevant stock companies listed in Article 236, paragraph (1), item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the "Reorganized Company"), in each case in accordance with the conditions set forth below. In this event, the Remaining Stock Acquisition Rights shall become extinct and new stock acquisition rights in the Reorganized Company shall be issued. However, the foregoing shall be on the condition that delivery of such stock acquisition rights by the Reorganized Company in accordance with the following conditions is included in the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan.

i. Number of stock acquisition rights of the Reorganized Company to be delivered

The same number of such stock acquisition rights as the number of the Remaining Stock Acquisition Rights possessed by each holder of the Company's stock acquisition rights shall be delivered.

ii. Class of shares of the Reorganized Company underlying stock acquisition rights

Class of shares underlying stock acquisition rights shall be common stock of the Reorganized Company.

iii. Number of shares of the Reorganized Company underlying stock acquisition rights

The number of shares shall be determined in the same manner as (a) above taking into consideration the conditions and other factors concerning the Reorganization Actions.

iv. Amount of assets to be contributed upon exercise of stock acquisition rights

The amount of assets to be contributed upon exercise of each stock acquisition right to be delivered shall be the amount obtained by multiplying the amount to be paid in after reorganization, which is adjusted taking into consideration the conditions and other factors concerning the Reorganization Actions, by the number of shares underlying the relevant stock acquisition rights as determined in accordance with (iii) above.

v. Period during which stock acquisition rights may be exercised

This period shall commence either on the starting date of the period for exercising stock acquisition rights specified in (c) above, or on the date on which the Reorganization Action comes into effect, whichever is later, and end on the expiry date of the period for exercising stock acquisition rights specified in (c) above.

vi. Matters concerning increases in capital and capital reserve when shares are issued upon exercise of stock acquisition rights

They shall be determined in the same manner as (d) above.

vii. Restriction on acquisition of stock acquisition rights by transfer

Any acquisition of stock acquisition rights by transfer shall be subject to the approval by resolution of the board of directors of the Reorganized Company.

viii. Provisions for acquisition of stock acquisition rights

They shall be determined in the same manner as (f) above.

(h) In cases where the number of shares to be delivered to the holders of the stock acquisition rights who have exercised the stock acquisition rights includes any fractions of less than one (1) share, such fractions shall be rounded down.

(i) Other details with respect to stock acquisition rights

Other matters concerning stock acquisition rights and particulars not stipulated in the above shall be established by means of a resolution at a separately held Board of Directors' Meeting.